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MAYBERRY INVESTMENTS LIMITED

ECONOMIC SUMMARY

UNITED STATES

GROSS DOMESTIC PRODUCT

U.S. real gross domestic product (GDP) contracted at an annual rate of 31.7% for the second quarter of 2020, according to the second estimate, subsequent to a 5% decline for the first three months of 2020. According to the Bureau of Economic Analysis (BEA), GDP for the second quarter reflected the response to COVID-19 as "stay-at-home" orders issued in March and April were partially lifted in some areas of the country in May and June. During this period, government pandemic assistance payments were distributed to households and businesses. This action led to swift changes in activity, as businesses and schools continued remote work, and consumers and businesses canceled, restricted, or redirected their spending.

The real GDP performance for Q2 2020 was impacted by declines in personal consumption expenditures (PCE), exports, private inventory investment, non-residential fixed investment, residential fixed investment, and state and local government spending. These were partly tempered by an increase in federal government spending. Imports, however, decreased.

The decline in PCE was attributable to contractions in services led by health care and goods (led by clothing and footwear). Declines in exports echoed a decrease in goods, led by capital goods, while the decrease in non-residential fixed investment mainly reflected a decrease in equipment (led by transportation equipment). The downturn in private inventory investment primarily reflected a reduction in retail, led by motor vehicle dealers. BEA also indicated, the decline in "residential investment primarily reflected a decrease in new single-family housing."

Current-dollar GDP for the second quarter declined $2.07 trillion or 33.3% to 19.49 trillion, compared to a 3.4% or $186.3 billion fall in the first quarter.

In the second quarter of 2020, the price index for gross domestic purchases declined 1.5% when compared to a rising by 1.4% in the first quarter of 2020. In addition, the PCE price index fell 1.8% relative to an increase of 1.3%. With the exception of the food and energy prices, the PCE price index worsened by 1.0% versus an increase of 1.6%

UNEMPLOYMENT

Total nonfarm payroll employment climbed 1.4 million in August, as the unemployment rate fell to 8.4%, according to a report by the U.S. Bureau of Labour Statistics (BLS). The performance was due to the continued resumption of economic activity that had been curtailed due to the coronavirus (COVID-19) pandemic and efforts to contain it. BLS mentioned that in August, "notable job gains occurred in retail trade, in professional and business services, in leisure and hospitality, and in education and health services."

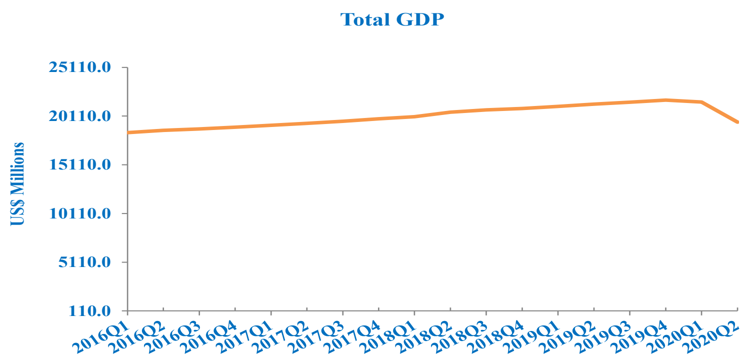
Government employment increased by 344,000 in August 2020, accounting for one-fourth of the total nonfarm employment gain. While in the retail trade, employment rose by 249,000. Employment in professional and business services rose by 197,000 in August. Notably, employment in leisure and hospitality climbed by 174,000 jobs in August. Employment in education and health services rose by 147,000. Whereas, employment in transportation and warehousing added 78,000 jobs, other services went up by 74,000 jobs, financial activities increased by 36,000 jobs while manufacturing employment rose by 29,000 jobs in August. Employment also increased in wholesale trade by 14,000. Employment in mining, construction, and information, however, remained relatively unchanged.

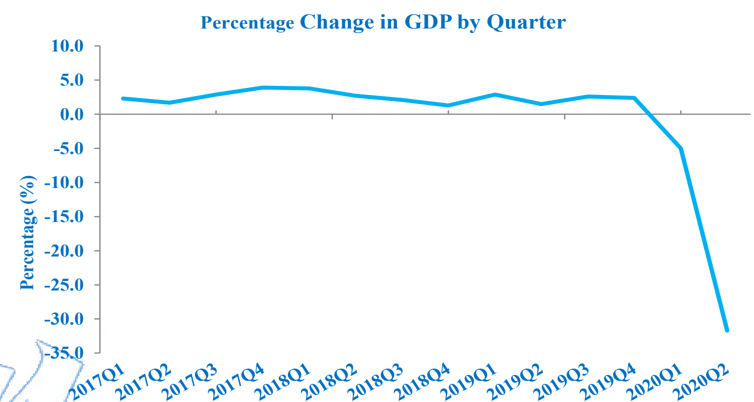
Notably, BLS stated, "the number of persons on temporary layoff decreased by 3.1 million in August to 6.2 million, down considerably from the series high of 18.1 million in April. In August, the number of permanent job losers increased by 534,000 to 3.4 million; this measure has risen by 2.1 million since February. The number of unemployed re-entrants to the labor force declined by 263,000 to 2.1 million."

In August, the number of unemployed persons who were jobless for 5 to 14 weeks decreased by 2.0 million to 3.1 million. While, the number of long-term unemployed (those jobless for 27 weeks or more) was little changed at 1.6 million. However, the number of unemployed persons who were jobless less than 5 weeks fell by 921,000 in August to 2.3 million.

The labour force participation rate for August rose 0.3 percentage points to 61.7%, while the employment population ratio increased 1.4 percentage points to 56.5%. In August, the number of persons who usually work full time increased by 2.8 million to 122.4 million, and the number of persons who usually work part-time increased by 991,000 to 25.0 million. Nonetheless, persons employed part-time for economic reasons decreased by 871,000 to 7.6 million in August. Based on BLS assessment, this was reflected by "a decrease in the number of people who worked part time due to slack work or business conditions (-1.1 million)."

In August, a total of 2.1 million individuals were slightly attached to the labour force. These persons were not in the labour force, wanted and were available for work, and had looked for a job in the last year. Of the marginally attached, 535,000 persons were classified as discouraged workers in August, a decrease of 130,000 persons over the month. These persons are not currently seeking work as they believe no jobs are available for them.





Labour Force in Thousands	Jan-Mar	Apr-Jun	Jul-Sep	Oct - Dec
Year	Q1	Q2	Q3	Q4
2015	422,317	424,418	426,408	428,508
2016	430,265	431,898	434,075	435,715
2017	437,386	438,949	440,567	442,168
2018	444,004	445,948	447,640	449,097
2019	450,551	451,828	453,481	455,365
2020	455,765	402,874		

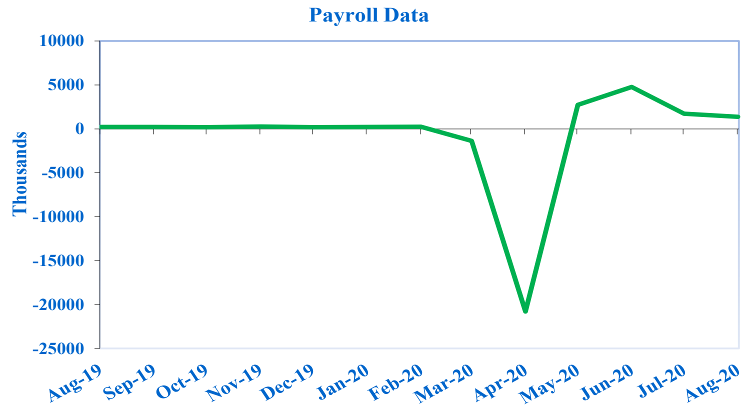
CONSUMER PRICE INDEX

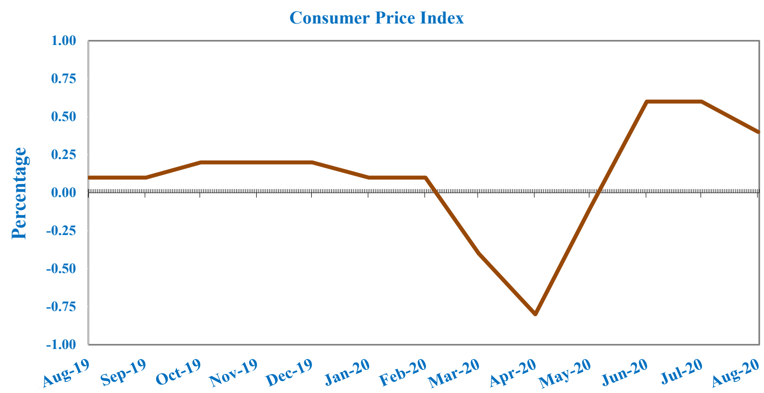
The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.4% for August, on a seasonally adjusted basis according to the U.S. Bureau of Labour Statistics. The all items index increased 1.3% before seasonal adjustment over the last year. BLS noted that the increase in the monthly seasonally adjusted all items index was mainly due to a sharp rise in the used cars and trucks index, but the indexes for gasoline, shelter, recreation, and household furnishings and operations also contributed.

The all items less food and energy index rose 0.4% in August. The index for used cars and trucks increased by 5.4% in August. The index for shelter increased 0.1%, recreation index rose 0.7%, household furnishings and operations index climbed 0.9% while the index for apparel increased 0.6% in August. Moreover, motor vehicle insurance index rose by 0.5%, airline fares increased 1.2% while the index for medical care increased 0.1%. The new vehicle index remained relatively unchanged in August. The education index fell 0.3%, and personal care (-0.3%).

The index for food climbed 0.1% in August, while the index for food at home decreased 0.1%. The index for meats, poultry, fish, and eggs declined 1.7%. The index for cereals and bakery products experienced a 0.2% decline in August. The indexes for dairy and related products, other food at home, fruits and vegetables and non-alcoholic beverages all increased 1.5%, 0.5%, 0.2% and 0.1%, respectively in August. The index for food away from home rose in August by 0.3%.

The index for energy climbed 0.9% in August as the gasoline index rose 2.0%. Nevertheless, the electricity index decreased 0.2% while the natural gas index declined 0.2% over the month.





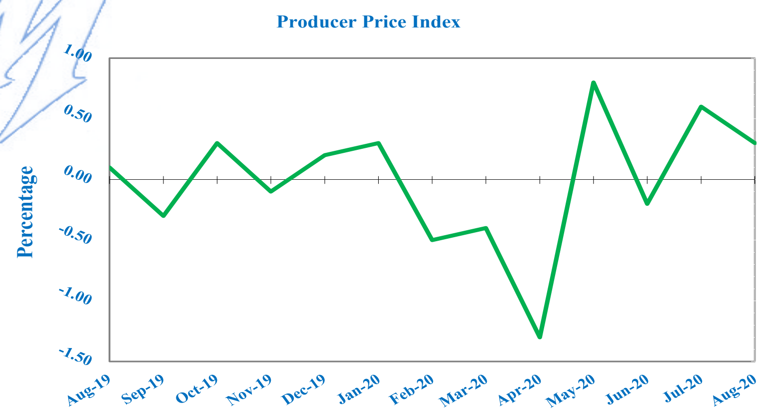
PRODUCER PRICE INDEX

The final demand for the Producer Price Index rose 0.3% in August 2020, seasonally adjusted according to the U.S. Bureau of Labour Statistics. Final demand prices increased 0.6% in July and decreased 0.2% in June. On an unadjusted basis, "the final demand index declined 0.2 percent for the 12 months ended in August," BLS indicated.

Prices for final demand less foods, energy, and trade services climbed 0.3% in the month of August. Notably, the index over the past twelve months ended August depicted an upward movement by 0.3%.

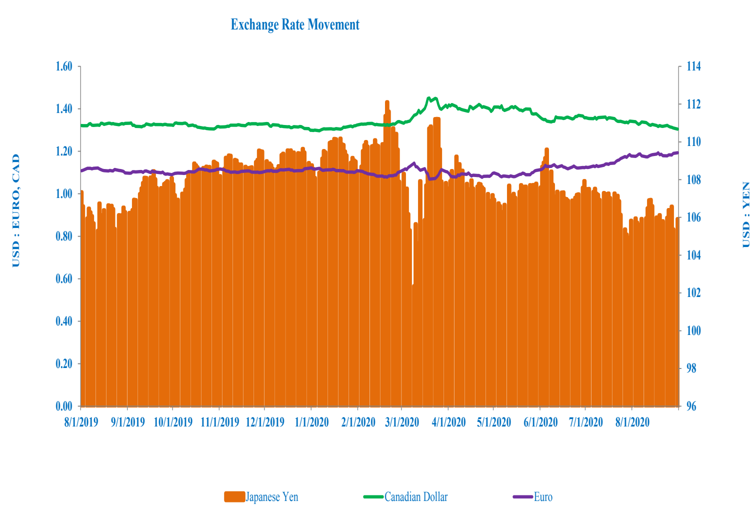
Final demand services experienced a 0.5% increase in prices in August. This performance was mainly attributable to an increase of 1.2% in prices for final demand trade services. Moreover, the indexes for final demand services less trade, transportation, and warehousing rose 0.3% while the prices for final demand transportation and warehousing services increased by 0.2%.

An increase of 0.1% was observed in prices for final demand goods in August. This performance stemmed from an increase of 0.3% in prices for final demand goods less foods and energy. The index for final demand foods declined 0.4%, while prices for final demand energy fell 0.1%.



U.S. Dollar

For August 2020, the EUR/USD pair closed at $1.1936 versus $1.1762 at the start of the month, a 1.48% increase. This increase according to FX Empire, was due to "EUR/USD investors adjusting to a speech by Federal Reserve Chair Jerome Powell which outlined an accommodative policy change which is believed could result in inflation moving slightly higher and interest rates staying lower for longer." FX empire mentioned that higher inflation erodes the domestic purchasing power of the dollar more quickly and thus "it is difficult to assume that it will maintain its purchasing power on the FX market in the long run." Moreover, looking ahead, FX Empire noted that, "U.S. Fed promised to keep rates low until the end of 2023 but did not commit to additional stimulus. The market expected that Fed would be even more dovish."



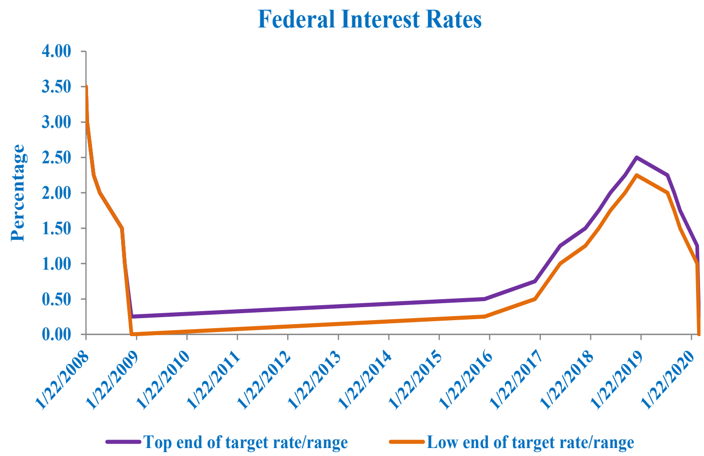
FEDERAL RESERVE MINUTES

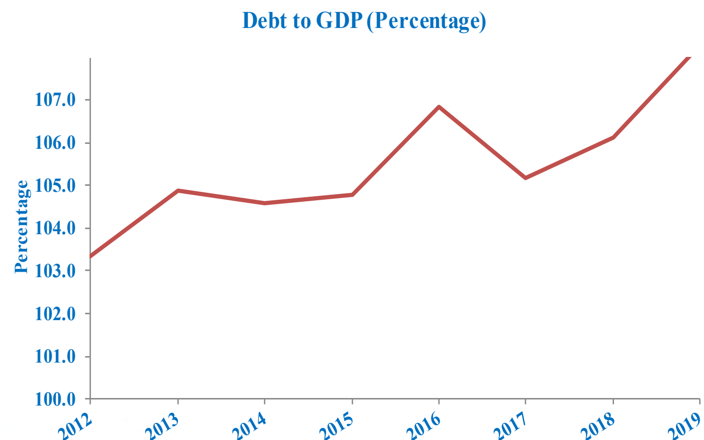
On September 16, 2020, the Federal Reserve reiterated its commitment to using its full range of tools to support the U.S. economy in this challenging time, thereby pursuing its maximum employment and price stability goals.

The Federal Reserve announced its decision to hold interest rates steady as economic activity and employment, although improved in recent months, remain well below their levels at the beginning of the year. Despite some uptick in recent months, the coronavirus outbreak has caused widespread human and economic hardship across the United States and around the world. The current climate has led to weaker demand and significantly lower oil prices which according to the Federal Reserve, "are holding down consumer price inflation." Besides, overall financial conditions have improved in recent months, in part reflecting policy measures to support the economy and the flow of credit to U.S. households and businesses.

The way forward for the U.S. economy will hinge on course of COVID-19. Economic activity, employment and inflation in the near term continue to be impacted by the on-going health crisis, while posing risks to the economic outlook over the medium term. Against this background, the target for federal fund rate was maintained at 0% – 0.25%, until the labor market conditions have reached levels consistent with the Committee's assessments of maximum employment and inflation has risen to 2% and is on track to moderately exceed 2% for some time.

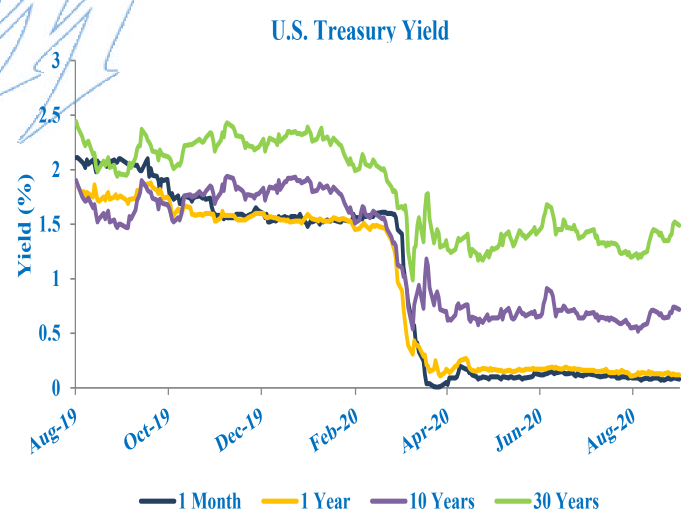
The Federal Reserve also intends to increase its holdings of Treasury securities and agency mortgage-backed securities at least at the current pace to sustain smooth market functioning, thereby fostering accommodative financial conditions and support the flow of credit to households and businesses. The Committee also reiterated its stance on monitoring the "implications of incoming information for the economic outlook," including information "related to public health, labor market conditions, inflation pressures and inflation expectations, and financial and international developments." Additionally, the Open Market Desk will continue to offer term and overnight repurchase agreement operations.





U.S. TREASURY YIELD CURVE

The 3-month Treasury bill rate inched up to 0.11% from July's 0.09%. The 5-year rate registered an increase to close the month of August at 0.28% from 0.21% a month earlier. The 10-year rate (also constant maturity) increased to 0.72%, from July's 0.55% and June's 0.66%.



GOVERNMENT DEBT/ DEFICIT

The Congressional Budget Office (CBO) indicated that the federal budget deficit amounted to $3 trillion for the first eleven months of the fiscal year 2020, relative to the $1.1 trillion recorded during the corresponding period last year.

Furthermore, for the first eleven months of the fiscal year 2020, receipts amounted to $3,046 billion based on CBO estimates which totalled $42 billion less than in the similar period last year.

Outlays for the first eleven months of the fiscal year 2020 totalled $6,048 billion, based on CBO estimates, $1,893 billion higher than the same period last year.

Budget Totals, October-August, Billions of Dollars

				Estimated Change With Adjustments for Timing Shifts in Outlays	
	Actual, FY 2019	Preliminary, FY 2020	Estimated Change	Billions of Dollars	Percent
Receipts	3,088	3,046	-42	-42	-1
Outlays	4,155	6,048	1,893	1,945	47.4
Deficit (-)	-1,067	-3,002	-1,935	-1,987	195.7